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## BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-4483.1/02

ATTY/TYPIST: ML:mos

BRIEF DESCRIPTION:

2 **ESHB 2376** - S COMM AMD

By Committee on Natural Resources, Parks & Shorelines

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- 5 Strike everything after the enacting clause and insert the 6 following:
- 7 "NEW SECTION. Sec. 1. The legislature finds that there has been an increase in the number of derelict and abandoned vessels that are 8 9 either grounded or anchored upon publicly or privately owned submerged 10 lands. These vessels are public nuisances and safety hazards as they often pose hazards to navigation, detract from the aesthetics of 11 12 Washington's waterways, and threaten the environment with the potential 13 release of hazardous materials. The legislature further finds that the costs associated with the disposal of derelict and abandoned vessels 14 15 are substantial, and that in many cases there is no way to track down 16 the current vessel owners in order to seek compensation. As a result, 17 the costs associated with the removal of derelict vessels becomes a burden on public entities and the taxpaying public. 18
- 19 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 20 throughout this chapter unless the context clearly requires otherwise.
- (1) "Abandoned vessel" means the vessel's owner is not known or 21 22 cannot be located, or if the vessel's owner is known and located but is 23 unwilling to take control of the vessel, and the vessel has been left, 24 moored, or anchored in the same area without the express consent, or contrary to the rules, of the owner, manager, or lessee of the aquatic 25 lands below or on which the vessel is located for either a period of 26 more than thirty consecutive days or for more than a total of ninety 27 days in any three hundred sixty-five day period. For the purposes of 28 29 this subsection (1) only, "in the same area" means within a radius of five miles of any location where the vessel was previously moored or 30 anchored on aquatic lands. 31
- 32 (2) "Aquatic lands" means all tidelands, shorelands, harbor areas, 33 and the beds of navigable waters, including lands owned by the state 34 and lands owned by other public or private entities.

- 1 (3) "Authorized public entity" includes any of the following: The 2 department of natural resources; the department of fish and wildlife; 3 the parks and recreation commission; a metropolitan park district; a 4 port district; and any city, town, or county with ownership, 5 management, or jurisdiction over the aquatic lands where an abandoned 6 or derelict vessel is located.
  - (4) "Department" means the department of natural resources.
- 8 (5) "Derelict vessel" means the vessel's owner is known and can be located, and exerts control of a vessel that:
- 10 (a) Has been moored, anchored, or otherwise left in the waters of 11 the state or on public property contrary to RCW 79.01.760 or rules 12 adopted by an authorized public entity;
- 13 (b) Has been left on private property without authorization of the 14 owner; or
- 15 (c) Has been left for a period of seven consecutive days, and:
- 16 (i) Is sunk or in danger of sinking;
- 17 (ii) Is obstructing a waterway; or

- 18 (iii) Is endangering life or property.
- 19 (6) "Owner" means any natural person, firm, partnership, 20 corporation, association, government entity, or organization that has 21 a lawful right to possession of a vessel by purchase, exchange, gift, 22 lease, inheritance, or legal action whether or not the vessel is 23 subject to a security interest.
- 24 (7) "Vessel" has the same meaning as defined in RCW 53.08.310.
- 25 NEW SECTION. Sec. 3. This chapter is not intended to limit or constrain the ability and authority of the authorized public entities 26 to enact and enforce ordinances or other regulations relating to 27 derelict and abandoned vessels, or to take any actions authorized by 28 29 federal or state law in responding to derelict or abandoned vessels. 30 This chapter is also not intended to be the sole remedy available to authorized public entities against the owners of derelict and abandoned 31 32 vessels.
- NEW SECTION. Sec. 4. (1) An authorized public entity has the authority, subject to the processes and limitations of this chapter, to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel found on or above aquatic lands within the jurisdiction of the authorized public entity. A vessel disposal must

- be done in an environmentally sound manner and in accordance with all federal, state, and local laws, including the state solid waste disposal provisions provided for in chapter 70.95 RCW. Scuttling or sinking of a vessel is only permissible after obtaining the express permission of the owner or owners of the aquatic lands below where the scuttling or sinking would occur, and obtaining all necessary state and federal permits or licenses.
- 8 (2) The primary responsibility to remove a derelict or abandoned 9 vessel belongs to the owner, operator, or lessee of the moorage 10 facility or the aquatic lands where the vessel is located. authorized public entity with the primary responsibility is unwilling 11 or unable to exercise the authority granted by this section, it may 12 13 request the department to assume the authorized public entity's authority for a particular vessel. 14 The department may at its 15 discretion assume the authorized public entity's authority for a particular vessel after being requested to do so. For vessels not at 16 17 a moorage facility, an authorized public entity with jurisdiction over the aquatic lands where the vessel is located may, at its discretion, 18 19 request to assume primary responsibility for that particular vessel 20 from the owner of the aquatic lands where the vessel is located.
- 21 (3) The authority granted by this chapter is permissive, and no 22 authorized public entity has a duty to exercise the authority. No 23 liability attaches to an authorized public entity that chooses not to 24 exercise this authority.
- NEW SECTION. Sec. 5. (1) Prior to exercising the authority granted in section 4 of this act, the authorized public entity must first obtain custody of the vessel. To do so, the authorized public entity must:
- (a) Mail notice of its intent to obtain custody, at least twenty days prior to taking custody, to the last known address of the previous owner to register the vessel in any state or with the federal government and to any lien holders or secured interests on record. A notice need not be sent to the purported owner or any other person whose interest in the vessel is not recorded with a state or federal agency;
- 36 (b) Post notice of its intent clearly on the vessel for thirty days 37 and publish its intent at least once, more than ten days but less than

- 1 twenty days prior to taking custody, in a newspaper of general 2 circulation for the county in which the vessel is located; and
- 3 (c) Post notice of its intent on the department's internet web site 4 on a page specifically designated for such notices. If the authorized 5 public entity is not the department, the department must facilitate the 6 internet posting.

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- (2) All notices sent, posted, or published in accordance with this section must, at a minimum, explain the intent of the authorized public entity to take custody of the vessel, the rights of the authorized public entity after taking custody of the vessel as provided in section 4 of this act, the procedures the owner must follow in order to avoid custody being taken by the authorized public entity, the procedures the owner must follow in order to reclaim possession after custody is taken by the authorized public entity, and the financial liabilities that the owner may incur as provided for in section 7 of this act.
- (3) If a vessel is in immediate danger of sinking, breaking up, or blocking navigational channels, and the owner of the vessel cannot be located or is unwilling to assume responsibility for the vessel, an authorized public entity may tow, beach, or otherwise take temporary possession of the vessel. Before taking temporary possession of the vessel, the authorized public entity must make reasonable attempts to consult with the department and the United States coast guard to ensure that other remedies are not available. The basis for taking temporary possession of the vessel must be set out in writing by the authorized public entity within seven days of taking action and be submitted to the owner, if known, as soon thereafter as is reasonable. Immediately after taking possession of the vessel, the authorized public entity must initiate the notice provisions in subsection (1) of this section. The authorized public entity must complete the notice requirements of subsection (1) of this section before using or disposing of the vessel as authorized in section 6 of this act.
- NEW SECTION. Sec. 6. (1) After taking custody of a vessel, the authorized public entity may use or dispose of the vessel in any appropriate and environmentally sound manner without further notice to any owners, but must give preference to uses that derive some monetary benefit from the vessel, either in whole or in scrap. If no value can be derived from the vessel, the authorized public entity must give preference to the least costly, environmentally sound, reasonable

- 1 disposal option. Any disposal operations must be consistent with the 2 state solid waste disposal provisions provided for in chapter 70.95 3 RCW.
- 4 (2) If the authorized public entity chooses to offer the vessel at 5 a public auction, either a minimum bid may be set or a letter of credit 6 may be required, or both, to discourage future reabandonment of the 7 vessel.
- 8 (3) Proceeds derived from the sale of the vessel must first be 9 applied to any administrative costs that are incurred by the authorized 10 public entity during the notification procedures set forth in section 5 of this act, removal and disposal costs, and costs associated with 11 environmental damages directly or indirectly caused by the vessel. If 12 the proceeds derived from the vessel exceed all administrative costs, 13 removal and disposal costs, and costs associated with environmental 14 15 damages directly or indirectly caused by the vessel, the remaining 16 moneys must be applied to satisfying any liens registered against the 17 vessel.
- 18 (4) Any value derived from a vessel greater than all liens and 19 costs incurred reverts to the derelict vessel removal account 20 established in section 11 of this act.
- NEW SECTION. Sec. 7. (1) The owner of an abandoned or derelict 21 vessel is responsible for reimbursing an authorized public entity for 22 23 all reasonable and auditable costs associated with the removal or 24 disposal of the owner's vessel under this chapter. These costs include, but are not limited to, costs incurred exercising the 25 authority granted in section 4 of this act, all administrative costs 26 incurred by the authorized public entity during the procedure set forth 27 in section 5 of this act, removal and disposal costs, and costs 28 29 associated with environmental damages directly or indirectly caused by 30 the vessel.
- 31 (2) Reimbursement for costs may be sought from an owner who is 32 identified subsequent to the vessel's removal and disposal.
- 33 (3) If the full amount of all costs due to the authorized public 34 entity under this chapter is not paid to the authorized public entity 35 within thirty days after first notifying the responsible parties of the 36 amounts owed, the authorized public entity or the department may bring 37 an action in any court of competent jurisdiction to recover the costs,

- 1 plus reasonable attorneys' fees and costs incurred by the authorized
- 2 public entity.
- 3 <u>NEW SECTION.</u> **Sec. 8.** An authorized public entity may enter into
- 4 a contract with a private company or individual to carry out the
- 5 authority granted in this chapter.
- 6 <u>NEW SECTION.</u> **Sec. 9.** The rights granted by this chapter are in
- 7 addition to any other legal rights an authorized public entity may have
- 8 to obtain title to, remove, recover, sell, or dispose of an abandoned
- 9 or derelict vessel, and in no way does this chapter alter those rights,
- 10 or affect the priority of other liens on a vessel.
- 11 <u>NEW SECTION.</u> **Sec. 10.** A person seeking to redeem a vessel that is
- 12 in the custody of an authorized public entity may commence a lawsuit to
- 13 contest the authorized public entity's decision to take custody of the
- 14 vessel or to contest the amount of reimbursement owed. The lawsuit
- 15 must be commenced in the superior court of the county in which the
- 16 vessel existed when custody was taken by the authorized public entity.
- 17 The lawsuit must be commenced within twenty days of the date the
- 18 authorized public entity took custody of the vessel under section 5 of
- 19 this act, or the right to a hearing is deemed waived and the vessel's
- 20 owner is liable for any costs owed the authorized public entity. In
- 21 the event of litigation, the prevailing party is entitled to reasonable
- 22 attorneys' fees and costs.
- NEW SECTION. Sec. 11. (1) The derelict vessel removal account is
- 24 created in the state treasury. All receipts from sections 6 and 7 of
- 25 this act and those moneys specified in RCW 88.02.030 and 88.02.050 must
- 26 be deposited into the account. Moneys in the account may only be spent
- 27 after appropriation. Expenditures from the account shall be used by
- 28 the department to reimburse authorized public entities for seventy-five
- 29 percent of the total reasonable and auditable administrative, removal,
- 30 disposal, and environmental damage costs of abandoned or derelict
- 31 vessels when the previous owner is either unknown after a reasonable
- 32 search effort or insolvent.
- 33 (2) If the balance of the account reaches one million dollars as of
- 34 March 1st of any year, the department must notify the department of

- 1 licensing and the collection of any fees associated with this account 2 must be suspended for the following fiscal year.
- 3 (3) Priority for use of this account is for the removal of derelict 4 and abandoned vessels that are in danger of sinking, breaking up, or blocking navigation channels, or that present environmental risks such 5 as leaking fuel or other hazardous substances. The department must 6 7 develop criteria, in the form of informal guidelines, to prioritize 8 removal projects associated with this chapter, but may not consider 9 whether the applicant is a state or local entity when prioritizing. 10 The quidelines must also include quidance to the authorized public entities as to what removal activities and associated costs are 11 reasonable and eligible for reimbursement. 12
  - (4) The department must keep all authorized public entities apprized of the balance of the derelict vessel removal account and the funds available for reimbursement. The guidelines developed by the department must also be made available to the other authorized public entities. This subsection (4) must be satisfied by utilizing the least costly method, including maintaining the information on the department's internet web site, or any other cost-effective method.

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- (5) An authorized public entity may contribute its twenty-five percent of costs that are not eligible for reimbursement by using inkind services, including the use of existing staff, equipment, and volunteers.
- 24 (6) This chapter does not guarantee reimbursement for an authorized 25 public entity. Authorized public entities seeking certainty in 26 reimbursement prior to taking action under this chapter may first notify the department of their proposed action and the estimated total 27 28 Upon notification by an authorized public entity, the 29 department must make the authorized public entity aware of the status 30 of the fund and the likelihood of reimbursement being available. department may offer technical assistance and assure reimbursement for 31 up to two years following the removal action if an assurance is 32 appropriate given the balance of the fund and the details of the 33 34 proposed action.
- 35 **Sec. 12.** RCW 88.02.030 and 1998 c 198 s 1 are each amended to read as follows:
- 37 Vessel registration is required under this chapter except for the 38 following:

1 (1) Military or public vessels of the United States, except 2 recreational-type public vessels;

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dollar fee;

- (2) Vessels owned by a state or subdivision thereof, used principally for governmental purposes and clearly identifiable as such;
- 4 5 (3) Vessels either (a) registered or numbered under the laws of a country other than the United States; or (b) having a valid United 6 7 States customs service cruising license issued pursuant to 19 C.F.R. 8 Sec. 4.94. On or before the sixty-first day of use in the state, any 9 vessel in the state under this subsection shall 10 identification document from the department of licensing, its agents, or subagents indicating when the vessel first came into the state. At 11 the time of any issuance of an identification document, a ((twenty-12 13 five)) thirty dollar identification document fee shall be paid by the vessel owner to the department of licensing for the cost of providing 14 15 the identification document by the department of licensing. 16 dollars from each such transaction must be deposited in the derelict vessel removal account created in section 11 of this act. Any moneys 17 remaining from the fee after the payment of costs and the deposit to 18 19 the derelict vessel removal account shall be allocated to counties by 20 the state treasurer for approved boating safety programs under RCW 88.02.045. The department of licensing shall adopt rules to implement 21 its duties under this subsection, including issuing and displaying the 22 identification document and collecting the ((twenty-five)) thirty 23
- 25 (4) Vessels that have been issued a valid number under federal law 26 or by an approved issuing authority of the state of principal 27 operation. However, a vessel that is validly registered in another 28 state but that is removed to this state for principal use is subject to 29 registration under this chapter. The issuing authority for this state 30 shall recognize the validity of the numbers previously issued for a 31 period of sixty days after arrival in this state;
- (5) Vessels owned by a nonresident if the vessel is located upon 32 the waters of this state exclusively for repairs, alteration, or 33 34 reconstruction, or any testing related to the repair, alteration, or 35 reconstruction conducted in this state if an employee of the repair, alteration, or construction facility is on board the vessel during any 36 testing((: PROVIDED, That)). However, any vessel owned by a 37 nonresident is located upon the waters of this state exclusively for 38 39 repairs, alteration, reconstruction, or testing for a period longer

- 1 than sixty days, that the nonresident shall file an affidavit with the
- 2 department of revenue verifying the vessel is located upon the waters
- 3 of this state for repair, alteration, reconstruction, or testing and
- 4 shall continue to file such affidavit every sixty days thereafter,
- 5 while the vessel is located upon the waters of this state exclusively
- 6 for repairs, alteration, reconstruction, or testing;
- 7 (6) Vessels equipped with propulsion machinery of less than ten 8 horsepower that:
- 9 (a) Are owned by the owner of a vessel for which a valid vessel 10 number has been issued;
- 11 (b) Display the number of that numbered vessel followed by the 12 suffix "1" in the manner prescribed by the department; and
- 13 (c) Are used as a tender for direct transportation between that 14 vessel and the shore and for no other purpose;
- 15 (7) Vessels under sixteen feet in overall length which have no 16 propulsion machinery of any type or which are not used on waters 17 subject to the jurisdiction of the United States or on the high seas 18 beyond the territorial seas for vessels owned in the United States and 19 are powered by propulsion machinery of ten or less horsepower;
- 20 (8) Vessels with no propulsion machinery of any type for which the 21 primary mode of propulsion is human power;
- 22 (9) Vessels primarily engaged in commerce which have or are 23 required to have a valid marine document as a vessel of the United 24 States. Commercial vessels which the department of revenue determines 25 have the external appearance of vessels which would otherwise be 26 required to register under this chapter, must display decals issued 27 annually by the department of revenue that indicate the vessel's exempt 28 status;
- 29 (10) Vessels primarily engaged in commerce which are owned by a 30 resident of a country other than the United States; and
- 31 (11) On and after January 1, 1998, vessels owned by a nonresident individual brought into the state for his or her use or enjoyment while 32 temporarily within the state for not more than six months in any 33 34 continuous twelve-month period, unless the vessel is used in conducting a nontransitory business activity within the state. However, the 35 vessel must have been issued a valid number under federal law or by an 36 37 approved issuing authority of the state of principal operation. On or before the sixty-first day of use in the state, any vessel temporarily 38 39 in the state under this subsection shall obtain an identification

document from the department of licensing, its agents, or subagents 1 2 indicating when the vessel first came into the state. An 3 identification document shall be valid for a period of two months. At 4 the time of any issuance of an identification document, a twenty-five 5 dollar identification document fee shall be paid by the vessel owner to department of licensing for the cost of providing the 6 the 7 identification document by the department of licensing. Any moneys 8 remaining from the fee after payment of costs shall be allocated to 9 counties by the state treasurer for approved boating safety programs under RCW 88.02.045. The department of licensing shall adopt rules to 10 implement its duties under this subsection, including issuing and 11 displaying the identification document and collecting the twenty-five 12 13 dollar fee.

14 Sec. 13. RCW 88.02.050 and 1993 c 244 s 38 are each amended to 15 read as follows:

16 Application for a vessel registration shall be made to the department or its authorized agent in the manner and upon forms 17 18 prescribed by the department. The application shall state the name and address of each owner of the vessel and such other information as may 19 be required by the department, shall be signed by at least one owner, 20 21 and shall be accompanied by a vessel registration fee of ten dollars 22 and fifty cents per year and the excise tax imposed under chapter 82.49 23 In addition, two additional dollars must be collected annually from every vessel registration application. These moneys must be 24 25 deposited into the derelict vessel removal account established in section 11 of this act. If the department of natural resources 26 indicates that the balance of the derelict vessel removal account 27 reaches one million dollars as of March 1st of any year, the collection 28 29 of the two-dollar fee must be suspended for the following fiscal year. Any fees required for licensing agents under RCW 46.01.140 shall be in 30 addition to the ten dollar and fifty cent annual registration fee and 31 the two-dollar derelict vessel fee.

33 Upon receipt of the application and the registration fee, the department shall assign a registration number and issue a decal for 34 35 each vessel. The registration number and decal shall be issued and 36 affixed to the vessel in a manner prescribed by the department consistent with the standard numbering system for vessels set forth in 37 38 volume 33, part 174, of the code of federal regulations. A valid decal

1 affixed as prescribed shall indicate compliance with the annual 2 registration requirements of this chapter.

The vessel registrations and decals are valid for a period of one year, except that the director of licensing may extend or diminish vessel registration periods, and the decals therefor, for the purpose of staggered renewal periods. For registration periods of more or less than one year, the department may collect prorated annual registration fees and excise taxes based upon the number of months in the registration period. Vessel registrations are renewable every year in a manner prescribed by the department upon payment of the vessel registration fee ((and)), excise tax, and the derelict vessel fee. Upon renewing a vessel registration, the department shall issue a new decal to be affixed as prescribed by the department.

When the department issues either a notice to renew a vessel registration or a decal for a new or renewed vessel registration, it shall also provide information on the location of marine oil recycling tanks and sewage holding tank pumping stations. This information will be provided to the department by the state parks and recreation commission in a form ready for distribution. The form will be developed and prepared by the state parks and recreation commission with the cooperation of the department of ecology. The department, the state parks and recreation commission, and the department of ecology shall enter into a memorandum of agreement to implement this process.

A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department or its authorized agent for transfer of the vessel registration, and the application shall be accompanied by a transfer fee of one dollar.

**Sec. 14.** RCW 88.02.040 and 1989 c 393 s 12 are each amended to 30 read as follows:

The department shall provide for the issuance of vessel registrations and may appoint agents for collecting fees and issuing registration numbers and decals. General fees for vessel registrations collected by the director shall be deposited in the general fund: PROVIDED, That any amount above one million one hundred thousand dollars per fiscal year shall be allocated to counties by the state treasurer for boating safety/education and law enforcement programs and the fee collected specifically for the removal and disposal of derelict

- vessels <u>must</u> be deposited in the derelict vessel removal account 1 created in section 11 of this act. Eligibility for ((such)) boating 2 safety/education and law enforcement program allocations shall be 3 4 contingent upon approval of the local boating safety program by the 5 state parks and recreation commission. Fund allocation shall be based on the numbers of registered vessels by county of moorage. 6 benefitting county shall be responsible for equitable distribution of 7 8 such allocation to other jurisdictions with approved boating safety programs within said county. Any fees not allocated to counties due to 9 the absence of an approved boating safety program, shall be allocated 10 to the commission for awards to local governments to offset law 11 enforcement and boating safety impacts of boaters recreating in 12 13 jurisdictions other than where registered.
- NEW SECTION. **Sec. 15.** A new section is added to chapter 35.21 RCW to read as follows:
- Any city or town has the authority, subject to the processes and limitation outlined in chapter 79.-- RCW (sections 1 through 11 of this act), to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel found on or above publicly or privately owned aquatic lands within the jurisdiction of the city or town.
- NEW SECTION. Sec. 16. A new section is added to chapter 35A.21 RCW to read as follows:
- A code city has the authority, subject to the processes and limitation outlined in chapter 79.-- RCW (sections 1 through 11 of this act), to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel found on or above publicly or privately owned aquatic lands within the jurisdiction of the code city.
- NEW SECTION. Sec. 17. A new section is added to chapter 36.32 RCW to read as follows:
- A county has the authority, subject to the processes and limitation outlined in chapter 79.-- RCW (sections 1 through 11 of this act), to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel found on or above publicly or privately

35 owned aquatic lands within the jurisdiction of the county.

- NEW SECTION. Sec. 18. A new section is added to chapter 53.08 RCW to read as follows:
- 3 A port district has the authority, subject to the processes and
- 4 limitation outlined in chapter 79.-- RCW (sections 1 through 11 of this
- 5 act), to store, strip, use, auction, sell, salvage, scrap, or dispose
- 6 of an abandoned or derelict vessel found on or above publicly or
- 7 privately owned aquatic lands within the jurisdiction of the port
- 8 district.
- 9 <u>NEW SECTION.</u> **Sec. 19.** A new section is added to chapter 77.12 RCW
- 10 to read as follows:
- 11 The director has the authority, subject to the processes and
- 12 limitation outlined in chapter 79. -- RCW (sections 1 through 11 of this
- 13 act), to store, strip, use, auction, sell, salvage, scrap, or dispose
- 14 of an abandoned or derelict vessel found on or above publicly or
- 15 privately owned aquatic lands within the jurisdiction of the
- 16 department.
- 17 **Sec. 20.** RCW 79A.65.010 and 2000 c 11 s 115 are each amended to
- 18 read as follows:
- 19 Unless the context clearly requires otherwise, the definitions in
- 20 this section apply throughout this chapter.
- 21 (1) "Charges" means charges of the commission for moorage and
- 22 storage, and all other charges related to the vessel and owing to or
- 23 that become owing to the commission, including but not limited to costs
- 24 of securing, disposing, or removing vessels, damages to any commission
- 25 facility, and any costs of sale and related legal expenses for
- 26 implementing RCW 79A.65.020 and 79A.65.030.
- 27 (2) "Commission" means the Washington state parks and recreation
- 28 commission.
- 29 (3) "Commission facility" means any ((property or)) moorage
- 30 facility, as that term is defined in RCW 53.08.310, owned, leased,
- 31 operated, managed, or otherwise controlled by the commission or by a
- 32 person pursuant to a contract with the commission.
- 33 (4) "Owner" means a person who has a lawful right to possession of
- 34 a vessel by purchase, exchange, gift, lease, inheritance, or legal
- 35 action whether or not the vessel is subject to a security interest, and
- 36 shall not include the holder of a bona fide security interest.

- 1 (5) "Person" means any natural person, firm, partnership, 2 corporation, association, organization, or any other entity.
- 3 (6)(a) "Registered owner" means any person that is either: (i) 4 Shown as the owner in a vessel certificate of documentation issued by the secretary of the United States department of transportation under 5 6 46 U.S.C. Sec. 12103; or (ii) the registered owner or legal owner of a vessel for which a certificate of title has been issued under chapter 7 8 88.02 RCW; or (iii) the owner of a vessel registered under the vessel 9 registration laws of another state under which laws the commission can 10 readily identify the ownership of vessels registered with that state.

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- (b) "Registered owner" also includes: (i) Any holder of a security interest or lien recorded with the United States department of transportation with respect to a vessel on which a certificate of documentation has been issued; (ii) any holder of a security interest identified in a certificate of title for a vessel registered under chapter 88.02 RCW; or (iii) any holder of a security interest in a vessel where the holder is identified in vessel registration information of a state with vessel registration laws that fall within (a)(iii) of this subsection and under which laws the commission can readily determine the identity of the holder.
- (c) "Registered owner" does not include any vessel owner or holder of a lien or security interest in a vessel if the vessel does not have visible information affixed to it (such as name and hailing port or registration numbers) that will enable the commission to obtain ownership information for the vessel without incurring unreasonable expense.
- (7) "Registered vessel" means a vessel having a registered owner.
- 28 (8) "Secured vessel" means any vessel that has been secured by the 29 commission that remains in the commission's possession and control.
- 30 (9) "Unauthorized vessel" means a vessel using a commission 31 facility of any type whose owner has not paid the required moorage fees 32 or has left the vessel beyond the posted time limits, or a vessel 33 otherwise present without permission of the commission.
- (10) "Vessel" means every watercraft or part thereof constructed, used, or capable of being used as a means of transportation on the water. It includes any equipment or personal property on the vessel that is used or capable of being used for the operation, navigation, or maintenance of the vessel.

- 1 **Sec. 21.** RCW 79A.65.020 and 1994 c 51 s 2 are each amended to read 2 as follows:
- 3 (1) The commission may take reasonable measures, including but not 4 limited to the use of anchors, chains, ropes, and locks, or removal 5 from the water, to secure unauthorized vessels located at or on a commission facility so that the unauthorized vessels are in the 6 possession and control of the commission. At least ten days before 7 8 securing any unauthorized registered vessel, the commission shall send notification by registered mail to the last registered owner or 9 10 registered owners of the vessel at their last known address or 11 addresses.
- (2) The commission may take reasonable measures, including but not 12 13 limited to the use of anchors, chains, ropes, locks, or removal from the water, to secure any vessel if the vessel, in the opinion of the 14 15 commission, is a nuisance, is in danger of sinking or creating other damage to a commission facility, or is otherwise a threat to the 16 17 health, safety, or welfare of the public or environment at a commission The costs of any such procedure shall be paid by the 18 facility. 19 vessel's owner.
- 20 (3) At the time of securing any vessel under subsection (1) or (2) of this section, the commission shall attach to the vessel a readily visible notice or, when practicable, shall post such notice in a conspicuous location at the commission facility in the event the vessel is removed from the premises. The notice shall be of a reasonable size and shall contain the following information:
  - (a) The date and time the notice was attached or posted;

- (b) A statement that the vessel has been secured by the commission and that if the commission's charges, if any, are not paid and the vessel is not removed by . . . . . (the thirty-fifth consecutive day following the date of attachment or posting of the notice), the vessel will be considered abandoned and will be sold at public auction to satisfy the charges;
- 33 (c) The address and telephone number where additional information 34 may be obtained concerning the securing of the vessel and conditions 35 for its release; and
- 36 (d) A description of the owner's or secured party's rights under 37 this chapter.
- 38 (4) With respect to registered vessels: Within five days of the 39 date that notice is attached or posted under subsection (3) of this

- 1 section, the commission shall send such notice, by registered mail, to 2 each registered owner.
- 3 (5) If a vessel is secured under subsection (1) or (2) of this 4 section, the owner, or any person with a legal right to possess the 5 vessel, may claim the vessel by:
- 6 (a) Making arrangements satisfactory to the commission for the 7 immediate removal of the vessel from the commission's control or for 8 authorized storage or moorage; and
- 9 (b) Making payment to the commission of all reasonable charges 10 incurred by the commission in securing the vessel under subsections (1) 11 and (2) of this section and of all moorage fees owed to the commission.
- 12 (6) A vessel is considered abandoned if, within the thirty-five day 13 period following the date of attachment or posting of notice in 14 subsection (3) of this section, the vessel has not been claimed under 15 subsection (5) of this section.
- (7) If the owner or owners of a vessel are unable to reimburse the commission for all reasonable charges under subsections (1) and (2) of this section within a reasonable time, the commission may seek reimbursement of seventy-five percent of all reasonable and auditable costs from the derelict vessel removal account established in section 11 of this act.
- 22 **Sec. 22.** RCW 79A.65.030 and 2000 c 11 s 116 are each amended to 23 read as follows:
- (1) The commission may provide for the public sale of vessels considered abandoned under RCW 79A.65.020. At such sales, the vessels shall be sold for cash to the highest and best bidder. The commission may establish either a minimum bid or require a letter of credit, or both, to discourage the future reabandonment of the vessel.
- 29 (2) Before a vessel is sold, the commission shall make a reasonable 30 effort to provide notice of sale, at least twenty days before the day of the sale, to each registered owner of a registered vessel and each 31 owner of an unregistered vessel. The notice shall contain the time and 32 place of the sale, a reasonable description of the vessel to be sold, 33 34 and the amount of charges then owing with respect to the vessel, and a summary of the rights and procedures under this chapter. A notice of 35 36 sale shall be published at least once, more than ten but not more than twenty days before the sale, in a newspaper of general circulation in 37 the county in which the commission facility is located. This notice 38

- shall include: (a) If known, the name of the vessel and the last owner and the owner's address; and (b) a reasonable description of the vessel. The commission may bid all or part of its charges at the sale and may become a purchaser at the sale.
- 5 (3) Before a vessel is sold, any person seeking to redeem a secured vessel may commence a lawsuit in the superior court for the county in 6 7 which the vessel was secured to contest the commission's decision to 8 secure the vessel or the amount of charges owing. This lawsuit shall 9 be commenced within fifteen days of the date the notification was 10 posted under RCW 79A.65.020(3), or the right to a hearing is deemed waived and the owner is liable for any charges owing the commission. 11 In the event of litigation, the prevailing party is entitled to 12 13 reasonable attorneys' fees and costs.
- (4) The proceeds of a sale under this section shall be applied 14 15 first to the payment of the amount of the reasonable charges incurred by the commission and moorage fees owed to the commission, then to the 16 17 owner or to satisfy any liens of record or security interests of record on the vessel in the order of their priority. If an owner cannot in 18 19 the exercise of due diligence be located by the commission within one 20 year of the date of the sale, any excess funds from the sale, following the satisfaction of any bona fide security interest, shall revert to 21 the ((department of revenue under chapter 63.29 RCW)) derelict vessel 22 removal account established in section 11 of this act. If the sale is 23 24 for a sum less than the applicable charges, the commission is entitled 25 to assert a claim for the deficiency against the vessel owner. Nothing 26 in this section prevents any lien holder or secured party from 27 asserting a claim for any deficiency owed the lien holder or secured 28 party.
- 29 (5) If no one purchases the vessel at a sale, the commission may 30 proceed to properly dispose of the vessel in any way the commission considers appropriate, including, but not limited to, destruction of 31 the vessel or by negotiated sale. The commission may assert a claim 32 against the owner for any charges incurred thereby. If the vessel, or 33 any part of the vessel, or any rights to the vessel, are sold under 34 35 this subsection, any proceeds from the sale shall be distributed in the manner provided in subsection (4) of this section. 36
- 37 **Sec. 23.** RCW 53.08.320 and 1986 c 260 s 2 are each amended to read 38 as follows:

Code Rev/ML:mos 17 S-4483.1/02

A moorage facility operator may adopt all ((regulations)) rules necessary for rental and use of moorage facilities and for the expeditious collection of port charges. The ((regulations)) rules may also establish procedures for the enforcement of these ((regulations)) rules by port district, city, county, metropolitan park district or town personnel. The ((regulations)) rules shall include the following:

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following information:

- (1) Procedures authorizing moorage facility personnel to take reasonable measures, including the use of chains, ropes, and locks, or removal from the water, to secure vessels within the moorage facility so that the vessels are in the possession and control of the moorage facility operator and cannot be removed from the moorage facility. These procedures may be used if an owner mooring or storing a vessel at the moorage facility fails, after being notified that charges are owing and of the owner's right to commence legal proceedings to contest that such charges are owing, to pay the port charges owed or to commence legal proceedings. Notification shall be by registered mail to the owner at his or her last known address. In the case of a transient vessel, or where no address was furnished by the owner, the moorage facility operator need not give such notice prior to securing the vessel. At the time of securing the vessel, an authorized moorage facility employee shall attach to the vessel a readily visible notice. The notice shall be of a reasonable size and shall contain the
  - (a) The date and time the notice was attached;
- (b) A statement that if the account is not paid in full within ninety days from the time the notice is attached, the vessel may be sold at public auction to satisfy the port charges; and
- (c) The address and telephone number where additional information may be obtained concerning release of the vessel.
- After a vessel is secured, the operator shall make a reasonable effort to notify the owner by registered mail in order to give the owner the information contained in the notice.
- 33 (2) Procedures authorizing moorage facility personnel at their 34 discretion to move moored vessels ashore for storage within properties 35 under the operator's control or for storage with private persons under 36 their control as bailees of the moorage facility, if the vessel is, in 37 the opinion of port personnel a nuisance, if the vessel is in danger of 38 sinking or creating other damage, or is owing port charges. Costs of 39 any such procedure shall be paid by the vessel's owner. If the owner

- 1 <u>is not known</u>, or unable to reimburse the moorage facility operator for
- 2 the costs of these procedures, the mooring facility operators may seek
- 3 reimbursement of seventy-five percent of all reasonable and auditable
- 4 costs from the derelict vessel removal account established in section
- 5 <u>11 of this act.</u>
- 6 (3) If a vessel is secured under subsection (1) of this section or 7 moved ashore under subsection (2) of this section, the owner who is 8 obligated to the moorage facility operator for port charges may regain 9 possession of the vessel by:
- 10 (a) Making arrangements satisfactory with the moorage facility 11 operator for the immediate removal of the vessel from the moorage 12 facility or for authorized moorage; and
- 13 (b) Making payment to the moorage facility operator of all port charges, or by posting with the moorage facility operator a sufficient 14 15 cash bond or other acceptable security, to be held in trust by the 16 moorage facility operator pending written agreement of the parties with 17 respect to payment by the vessel owner of the amount owing, or pending resolution of the matter of the charges in a civil action in a court of 18 19 competent jurisdiction. After entry of judgment, including any 20 appeals, in a court of competent jurisdiction, or after the parties 21 reach agreement with respect to payment, the trust shall terminate and the moorage facility operator shall receive so much of the bond or 22 23 other security as is agreed, or as is necessary to satisfy any 24 judgment, costs, and interest as may be awarded to the moorage facility 25 operator. The balance shall be refunded immediately to the owner at 26 his <u>or her</u> last known address.
- (4) If a vessel has been secured by the moorage facility operator under subsection (1) of this section and is not released to the owner under the bonding provisions of this section within ninety days after notifying or attempting to notify the owner under subsection (1) of this section, the vessel shall be conclusively presumed to have been abandoned by the owner.
- 33 (5) If a vessel moored or stored at a moorage facility is 34 abandoned, the moorage facility operator may, by resolution of its 35 legislative authority, authorize the public sale of the vessel by 36 authorized personnel to the highest and best bidder for cash as 37 ((follows:)) prescribed by this subsection (5). Either a minimum bid 38 may be established or a letter of credit may be required, or both, to 39 discourage the future reabandonment of the vessel.

- (a) Before the vessel is sold, the owner of the vessel shall be 1 given at least twenty days' notice of the sale in the manner set forth 2 in subsection (1) of this section if the name and address of the owner 3 4 The notice shall contain the time and place of the sale, a 5 reasonable description of the vessel to be sold, and the amount of port charges owed with respect to the vessel. The notice of sale shall be 6 7 published at least once, more than ten but not more than twenty days 8 before the sale, in a newspaper of general circulation in the county in 9 which the moorage facility is located. Such notice shall include the 10 name of the vessel, if any, the last known owner and address, and a reasonable description of the vessel to be sold. The moorage facility 11 operator may bid all or part of its port charges at the sale and may 12 13 become a purchaser at the sale( $(\div)$ ).
  - (b) Before the vessel is sold, any person seeking to redeem an impounded vessel under this section may commence a lawsuit in the superior court for the county in which the vessel was impounded to contest the validity of the impoundment or the amount of the port charges owing. Such lawsuit must be commenced within ten days of the date the notification was provided pursuant to subsection (1) of this section, or the right to a hearing shall be deemed waived and the owner shall be liable for any port charges owing the moorage facility operator. In the event of litigation, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

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- 24 (c) The proceeds of a sale under this section shall first be 25 applied to the payment of port charges. The balance, if any, shall be paid to the owner. If the owner cannot in the exercise of due 26 27 diligence be located by the moorage facility operator within one year of the date of the sale, the excess funds from the sale shall revert to 28 29 the ((department of revenue pursuant to chapter 63.29 RCW)) derelict 30 vessel removal account established in section 11 of this act. 31 sale is for a sum less than the applicable port charges, the moorage facility operator is entitled to assert a claim for a deficiency. 32
- 33 (d) In the event no one purchases the vessel at a sale, or a vessel 34 is not removed from the premises or other arrangements are not made 35 within ten days of sale, title to the vessel will revert to the moorage 36 facility operator.
- 37 (6) The ((regulations)) rules authorized under this section shall 38 be enforceable only if the moorage facility has had its tariff

- 1 containing such ((regulations)) rules conspicuously posted at its
- 2 moorage facility at all times.
- 3 <u>NEW SECTION.</u> **Sec. 24.** Sections 1 through 11 of this act
- 4 constitute a new chapter in Title 79 RCW.
- 5 <u>NEW SECTION.</u> **Sec. 25.** If any provision of this act or its
- 6 application to any person or circumstance is held invalid, the
- 7 remainder of the act or the application of the provision to other
- 8 persons or circumstances is not affected.
- 9 <u>NEW SECTION.</u> **Sec. 26.** This act takes effect January 1, 2003."
- 10 **ESHB 2376** S COMM AMD
- 11 By Committee on Natural Resources, Parks & Shorelines

- On page 1, beginning on line 1 of the title, after "vessels;"
- 14 strike the remainder of the title and insert "amending RCW 88.02.030,
- 15 88.02.050, 88.02.040, 79A.65.010, 79A.65.020, 79A.65.030, and
- 16 53.08.320; adding a new section to chapter 35.21 RCW; adding a new
- 17 section to chapter 35A.21 RCW; adding a new section to chapter 36.32
- 18 RCW; adding a new section to chapter 53.08 RCW; adding a new section to
- 19 chapter 77.12 RCW; adding a new chapter to Title 79 RCW; prescribing
- 20 penalties; and providing an effective date."

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